

# **Exhibit 3**

## Release Number 7582-17

June 29, 2017

# CFTC Orders Rosenthal Collins Capital Markets LLC, Now Known as DV Trading LLC, to Pay a Civil Penalty of \$5 Million for Engaging in Illegal Wash Sales Designed to Generate Exchange Rebate Fees

## Former RCCM Trader Brandon Elsasser also Ordered to Pay \$200,000 for Similar Unlawful Trading Conduct

**Washington DC** – The U.S. Commodity Futures Trading Commission (CFTC) today announced the filing and simultaneous settlement of charges against **Rosenthal Collins Capital Markets, LLC**, now known as **DV Trading LLC** (RCCM), of Chicago, Illinois, for engaging in illegal wash sales in order to generate rebates of exchange fees based upon increased trading volumes.

The CFTC Order requires RCCM to pay a \$5 million civil monetary penalty and cease and desist from violating Section 4c(a) of the Commodity Exchange Act (CEA) and Commission Regulation 1.38(a), as charged. A separate CFTC Order finds that former RCCM trader, Brandon Elsasser (Elsasser), entered illegal wash sales and requires him to pay a \$200,000 civil monetary penalty, and orders him to cease and desist from violating CEA Section 4c(a) and Commission Regulation 1.38(a), as charged.

### Three Different Strategies

The CFTC Order finds that from early 2013 until July 2015, proprietary traders at RCCM engaged in three different wash trading strategies in order to generate rebates through the Eurodollar Pack and Bundle Market Maker Program (Program) offered by Chicago Mercantile Exchange, Inc. (CME). Under the terms of the Program, RCCM had certain quoting obligations and, in return, it could earn rebates in the form of fee credits for its trading in the Program.

The Order specifically finds that in early 2013, in order to generate the firm's desired level of rebates apart from actual market conditions, an RCCM trader evaded RCCM's wash blocking system in order to trade against himself and generate rebates. He continued generating rebates using wash trades until his trading was detected and RCCM tightened its wash blocking system.

The Order further finds that a few months later, two RCCM traders began engaging in prolonged periods of scratch trading, that is, buying and selling opposite each other, in order to generate the rebates. They continued trading in that manner until the CME informed RCCM that it would exclude trades among RCCM traders from the rebate calculations.

### **Brandon Elsasser Order**

Shortly after that time, RCCM trader Elsasser discovered a third strategy in which he could trade against himself in rebate-eligible products and avoid detection using the exchange's implied matching engine to buy and sell contracts. The Elsasser Order, also filed on June 29, 2017, finds that Elsasser engaged in fictitious trading strategies in order to generate rebates from the Program.

RCCM's compliance efforts did not detect or investigate any of these strategies until they were brought to RCCM's attention by regulatory inquiries, the Order finds. In total, RCCM earned rebates on approximately 300,000 Eurodollar contracts through more than 8,000 wash transactions while trading in the market maker program.

The CFTC thanks and acknowledges the assistance of the CFTC's Division of Market Oversight and the CME Group, Inc.

The following Division of Enforcement staff members are responsible for this matter: Lindsey Evans, Elizabeth N. Pendleton, Joseph Patrick, Jeffrey Gomberg, Heather Dasso, Jason Fairbanks, Ava Gould, Scott R. Williamson, and Rosemary Hollinger.

### **Media Contact**

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